

Hunting PLC Half Year Results 2013

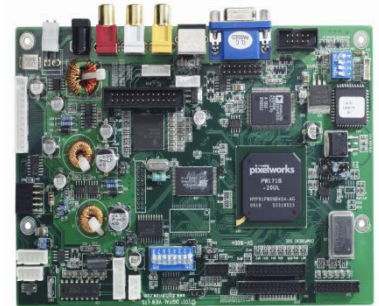


Highlights

- **Performance***
 - Revenue £424.4m (2012 – £406.9m) +4.3%
 - EBITDA £75.6m (2012 – £77.7m) - 2.7%
 - Profit before tax £59.3m (2012 – £61.6m) - 3.7%
 - Diluted EPS 27.3p (2012 – 28.4p) - 3.9%

- **Continuing internal investment programmes**
 - 2013 capital investment £20.1m (2012 – £37.2m)
 - Future facility expansion plans £72m (US\$110m)

- **Interim dividend increased to 4.75p (2012 – 4.50p)** + 5.6 %



* Results are based on continuing operations before amortisation and exceptional items

2013 Half Year Results Summary*

	H1 2013 £m	Margin %	H1 2012 £m	Margin %	Change %
Revenue	424.4		406.9		+4
EBITDA	75.6	18	77.7	19	-3
Profit from operations	61.2	14	64.7	16	-5
Finance expense	(2.1)		(3.5)		
Profit before tax	59.3	14	61.6	15	-4
Effective tax rate	29%		29%		
Diluted EPS	27.3p		28.4p		-4
Dividend per share declared	4.75p		4.50p		+6

* Results are based on continuing operations before amortisation and exceptional items

Segmental Results*



	H1 2013			H1 2012		
	Revenue	Profit from Operations	Margin	Revenue	Profit from Operations	Margin
	£m	£m	%	£m	£m	%
Hunting Energy Services						
Well Construction	124.4	18.0	14	135.9	21.7	16
Well Completion	251.2	39.4	16	225.0	38.2	17
Well Intervention	33.2	3.7	11	29.5	3.9	13
	408.8	61.1	15	390.4	63.8	16
Other Activities						
Exploration & Production	2.8	0.3	11	2.6	0.1	4
Gibson Shipbrokers	12.8	(0.2)		13.9	0.8	6
	424.4	61.2	14	406.9	64.7	16

* Results are based on continuing operations before amortisation and exceptional items

Amortisation & Exceptional Items – Continuing Operations



	H1 2013 £m
Amortisation of intangible assets	14.0
Inventory fair value charge	2.1
Oil & Gas reserve impairment and dry hole cost	2.4
Settlement of litigation and associated legal expenses	1.9
Continuing operations	20.4

Exceptional Items - Discontinued Operations

	H1 2013 £m
Release of Gibson Energy tax warranty provisions	7.6
Refund of tax payments	0.6
Loss on disposal of Field Aviation	(0.1)
Discontinued operations	8.1

Balance Sheet

	June 2013 £m	December 2012 £m
Property, plant and equipment	264.5	248.5
Goodwill	325.3	304.5
Other intangible assets	184.7	185.2
Working capital	321.5	267.7
Provisions	(22.2)	(29.6)
Dividend payable – paid 1 July 2013	(20.2)	-
Taxation (current and deferred)	(35.5)	(24.6)
Other	22.2	32.1
Net debt	(158.8)	(163.8)
Net assets	881.5	820.0
Gearing	18%	20%

Capital Investment – by Segment

	H1 2013 £m	H1 2012 £m
Hunting Energy Services		
Well Construction	8.2	12.7
Well Completion	7.5	13.1
Well Intervention	2.6	8.4
	18.3	34.2
Exploration & Production	1.6	2.8
Others	0.2	0.2
	20.1	37.2
Split:		
Replacement	12.8	12.2
New Business	7.3	25.0
	20.1	37.2

Capital Investment – by Project

	H1 2013 £m
Hunting Energy Services	
New drill tools and other rental equipment	7.0
Titan expansion – US	1.3
Stafford expansion – US	0.5
Other facility improvements	0.4
Asia Pacific machinery and equipment	2.3
North American machinery and equipment	6.1
Other equipment	0.7
	<hr/> 18.3
Exploration and Production	1.6
Other	0.2
	<hr/> 20.1 <hr/>

Cash Flow

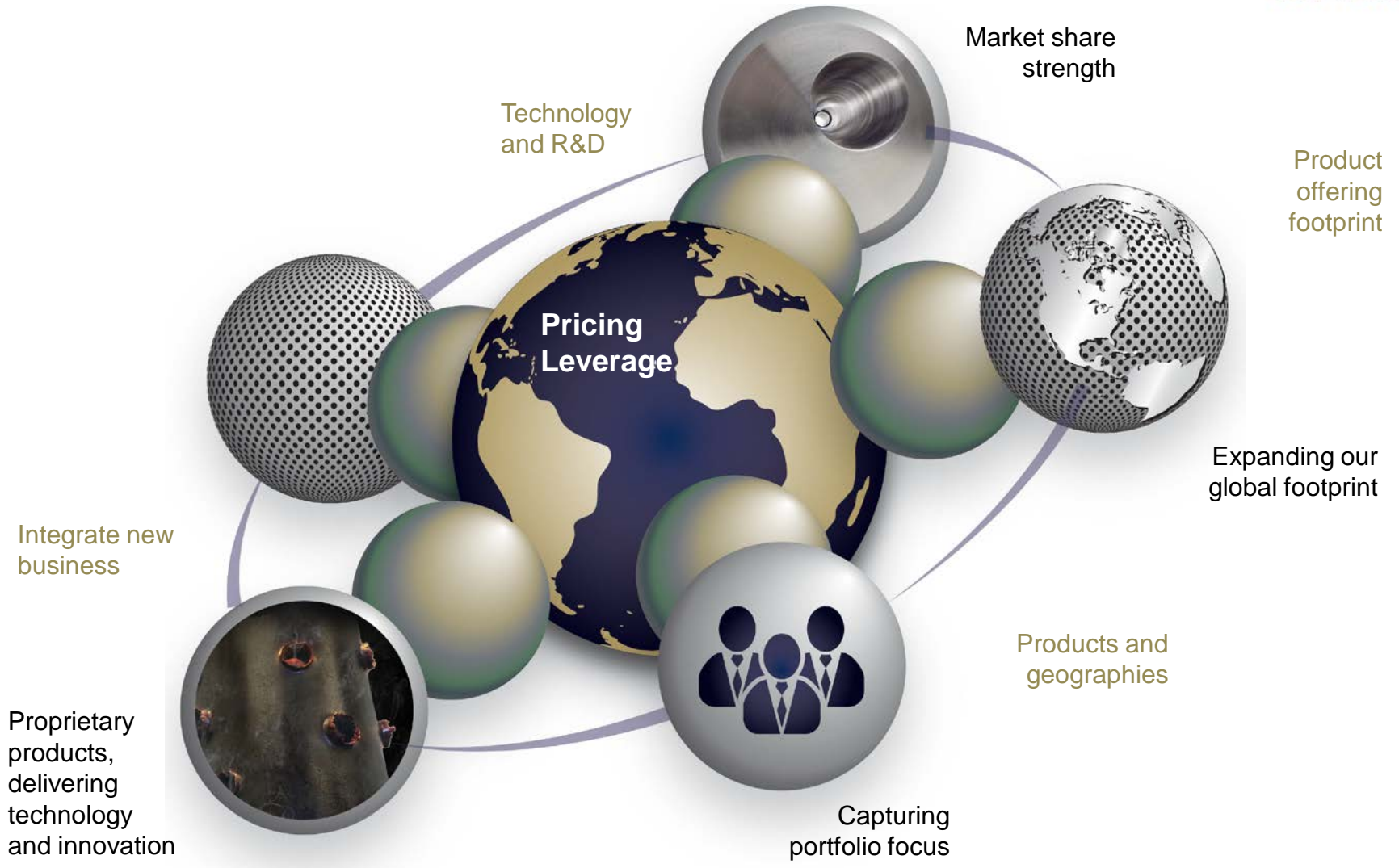


	H1 2013 £m	H1 2012 £m
EBITDA	75.6	77.7
Working capital	(32.8)	(0.6)
Interest and bank fees	(2.0)	(3.3)
Tax paid	(3.4)	(13.3)
Replacement capital investment	(12.8)	(12.2)
Other	(1.2)	1.2
Free cash flow	23.4	49.5
Expansion capital investment	(7.3)	(25.0)
Purchase / Disposal of subsidiaries and costs	(7.1)	3.1
Tax indemnity	9.4	(2.2)
Other including foreign exchange	(13.4)	1.6
Net cash inflow in the period	5.0	27.0

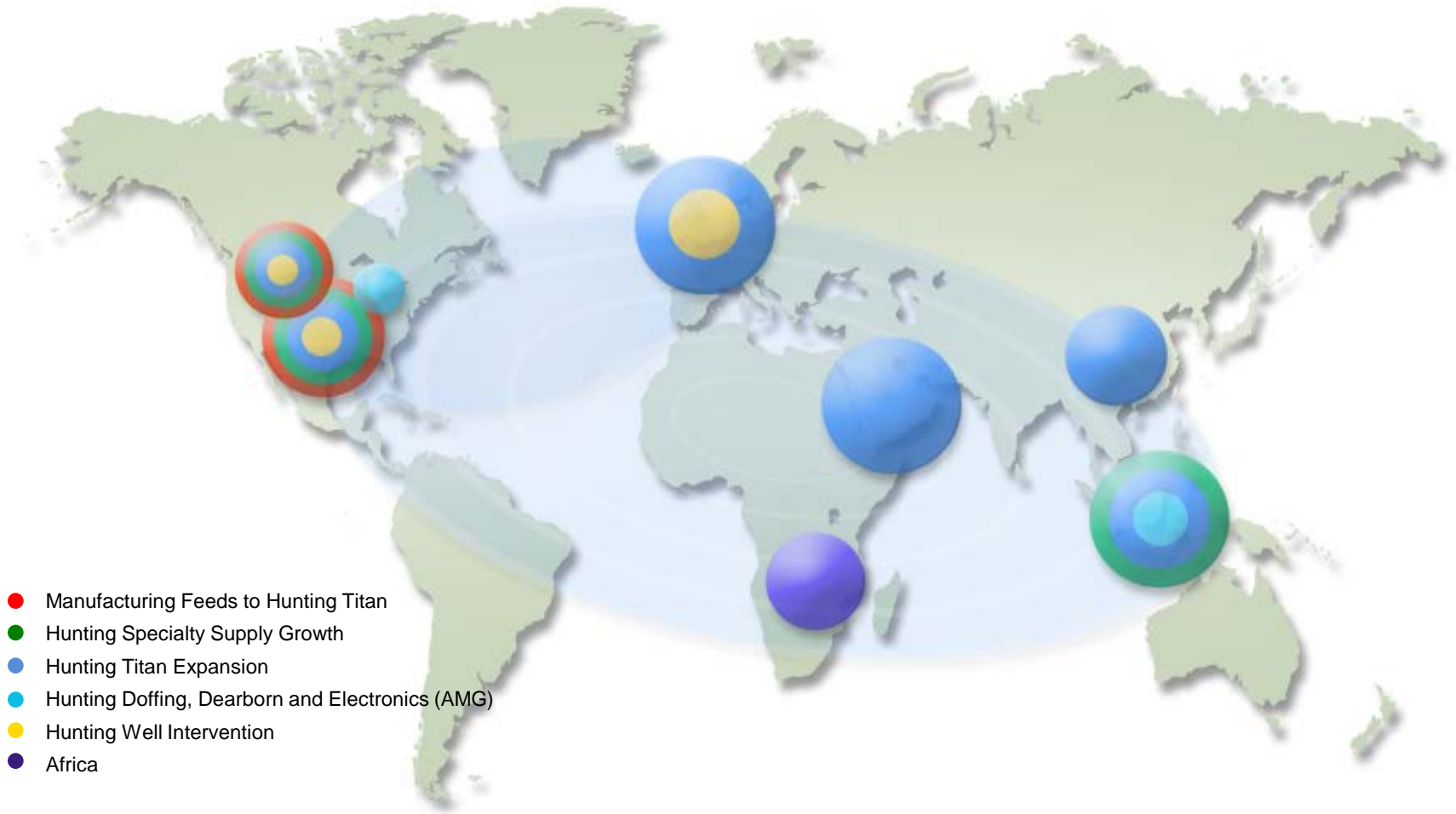
Capital Investment Projects

	US\$m	£m
Premium Threading Facility – Houston, Texas	43	28
– 40 acre site operational Q4 2014		
Test and Certification Facility – Houston, Texas	11	7
– Operational Q2/3 2014		
Manufacturing Facility – Houma, Louisiana	36	24
– Final phase of the Houma site operational Q4 2014		
Southern Africa Facility – Cape Town, South Africa	20	13
– 9 acre site operational Q4 2014		
	110	72

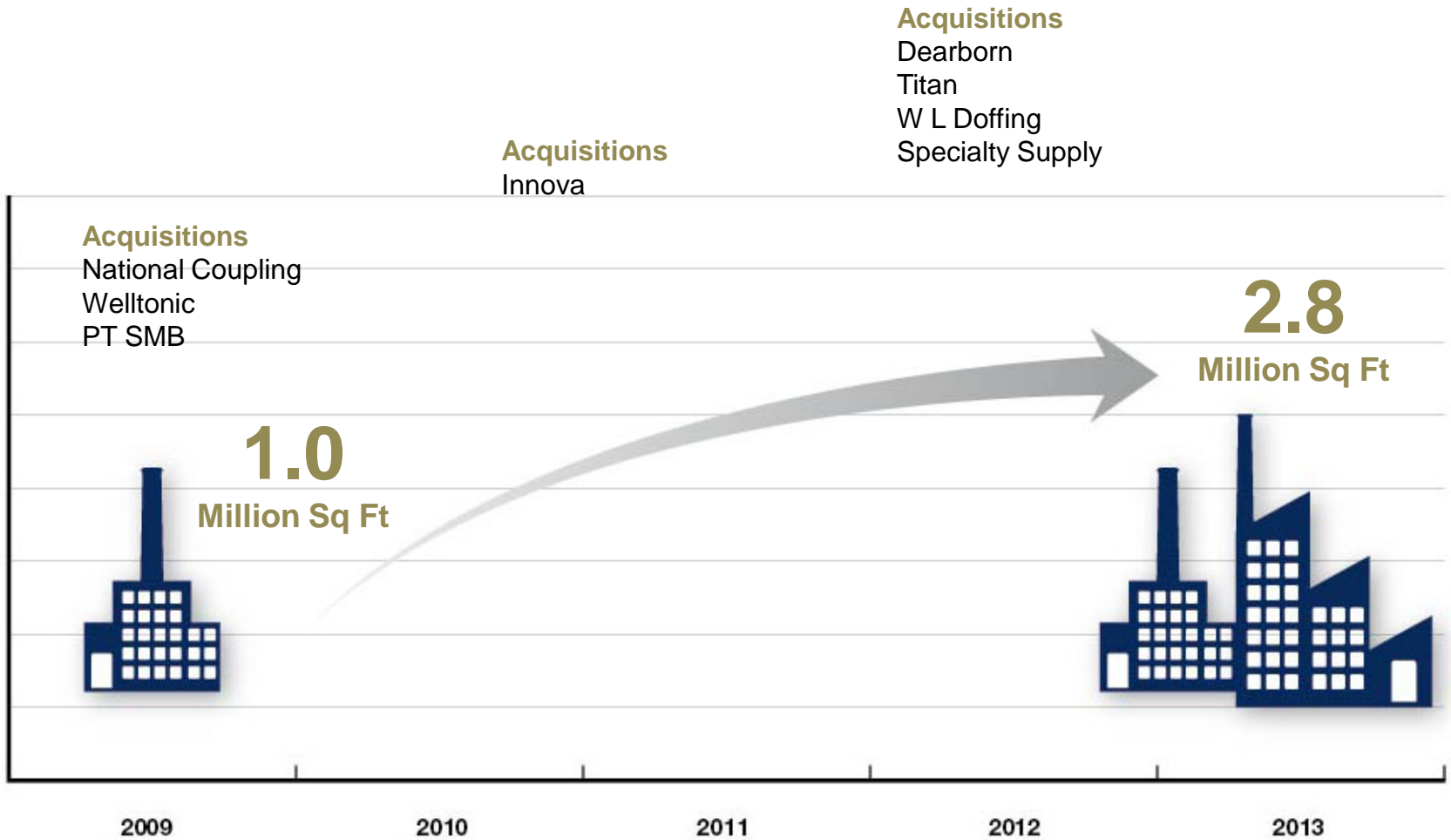
Hunting Strategy



Global Expansion

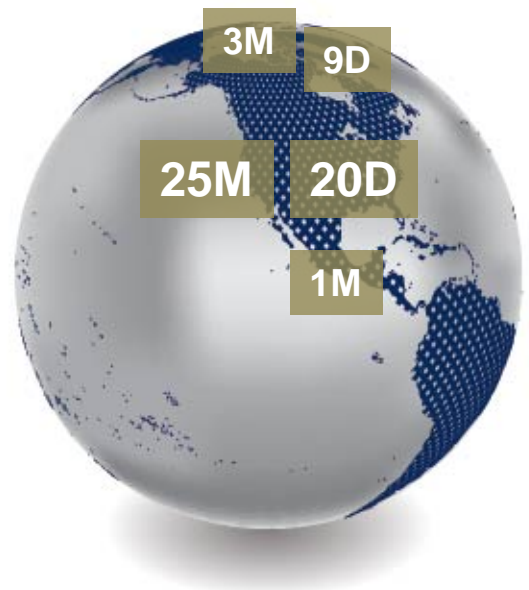


Operational Capacity Footprint

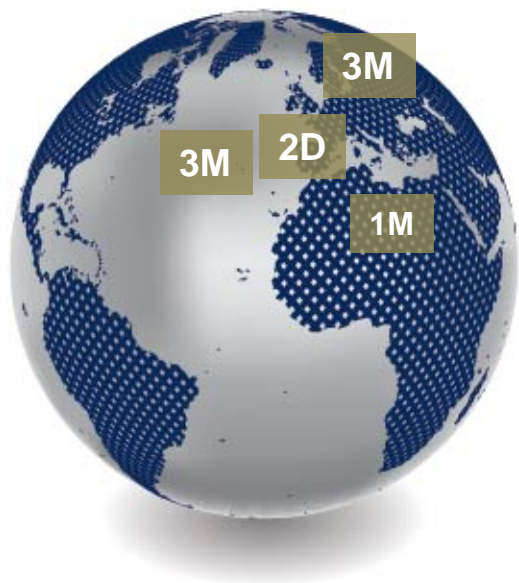


Global Footprint

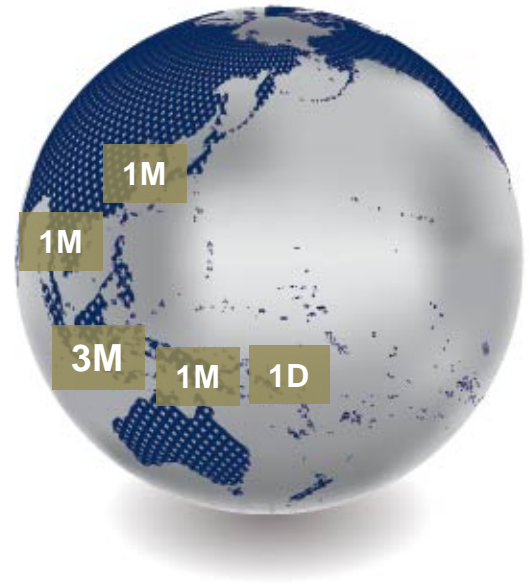
M Manufacturing **D** Distribution



74
Locations Globally



42
Manufacturing



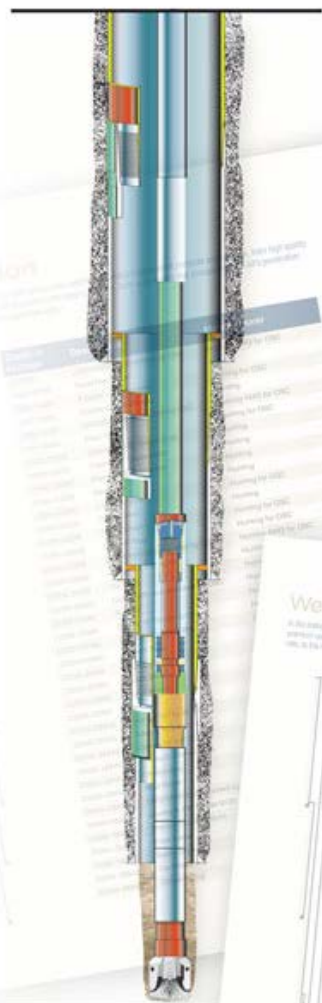
32
Distribution



WELL CONSTRUCTION: OCTG: Oil Country Tubular Goods (OCTG), Casing, Tubing, Drill Pipe. **Drilling Tools:** Mud Motors: Shock Tools: Dirt Dart, Dirt Dart Max Torque, ERT Max Torque, HR Max Torque, Max Torque, High Speed, Coiled Tubing, Vibration Dampener. **Non-Magnetic Drill Collars.** **Connection Technology:** Tubing Connections (intergal on website): TS-HD, TS-HD-SR, TS-HP, TS-HP-SR, SEAL-LOCK XP. Threaded and Coupled Connections: SEAL-LOCK APEX, SEAL-LOCK BOSS, SEAL-LOCK HC, SEAL-LOCK HT, SEAL-LOCK HT-S Timed. Flush Connections: SEAL-LOCK FLUSH, WEDGE-LOCK FLUSH. Semi Flush Connections: SEAL-LOCK SF. Semi Premium Connections: TKC Convertible BTC, TKC Convertible EUE, TKC Convertible LTC, TKC MMS LTC, TKC MMS EUE, TKC BTC and Plus, TKC EUE and Plus, TKC LTC and Plus, TKC FJ-150, TKC Plus 4040, TKC Plus 4040 HO, TKC 4040 HOI, TKC Canuk, TKC 4040 RTC. Fox Connections. JFEBEAR Connections. Hunting Blanking Dimensions: Connection Blanking Dimensions. **Protection:** Storage Coatings, Thread Protectors, Thread Sealant – SealLube™. **Annular Pressure Release System.** **Trenchless Technology:** Starter Rods, HIWS1, HIWS2, Drive Chucks – HIWS2, Saver Subs – HIWS1, Saver Subs – HIWS2, Rod Recyclers Pulling Eyes. Deep hole drilling, trepanning, boring, ID honing for size and surface finish, CNC turning, magnetic particle inspection, black oxide coating, Shot peening, CMM Inspection. **WELL COMPLETION:** Connection Technology: Integral Joint Connections (intergal on website): TS-HD, TS-HD-SR, TS-HP, TS-HP-SR, SEAL-LOCK XP. Threaded and Coupled Connections: SEAL-LOCK APEX, SEAL-LOCK BOSS, SEAL-LOCK HC, SEAL-LOCK HT, SEAL-LOCK HT-S Timed. Flush Connections: SEAL-LOCK FLUSH, WEDGE-LOCK FLUSH. Semi Flush Connections: SEAL-LOCK SF. Semi Premium Connections: TKC Convertible BTC, TKC Convertible EUE, TKC Convertible LTC, TKC MMS LTC, TKC MMS EUE, TKC BTC and Plus, TKC EUE and Plus, TKC LTC and Plus, TKC FJ-150, TKC Plus 4040, TKC Plus 4040 HO, TKC 4040 HOI, TKC Canuk, TKC 4040 RTC. Fox Connections. JFEBEAR Connections. Hunting Blanking Dimensions: Connection Blanking Dimensions. Completion Accessories: Pup Joints, Pup joint sets, Perforators: Pup joints, Pup joint sets, Perforator sets, Flow Couplings, Flow Tubes, Landing Nipples, Test Caps, Ball Plugs, Single joint lifting plugs, Caps, Ball Plugs, Single joint lifting plugs, Multiple joint lifting plugs, Flow shoes, Tubing hangers, Float equipment, Gas mandrels, API threading, Horizontal assembly make-up, Inlinarag, Horizontal assembly make-up, Inlinarag coating, Electroplating (Nickel), Phosphating, Ceramics heat treating, Low stress dot stamping, Paint stenciling, Vibration bling, Swaging, Stress stenciling, Vibration bling, Swaging, Stress stenciling, Turning and boring, Dry-mo Compact WYs, Triple Compact WYs, WY Ram Configurations, WY Work Protection Frames, WY Shipping Frames, WY Ultrasonic measurement, Well Completion, Quick Union Lifting Caps, Quick Union Lift Test Caps, Quick Union Blanking Plugs, Quick Union Test Caps, Qstrol Equipment) Quick Union Boxes, Pullys Wipers, Open Hole Tool Catcher, Mechanical Plant Overview, PHC Units for BCIPs, PHC Units for SSV and SSSV, MultiCatch Tool Catchers, Grease Injection Control Units, Skid Mounted Grease Inj-Hydraulic Control Units, Portable Pressure Test Units, Portable Chemical Injection V-Liquid Chambers, Lubrication and Risers, Integral Lubricators, Hydraulic Hand Pumps, Standard Hoses, Standard Quick Connections, Containerized Workshops, Shipping Skids, Compact Hydraulic WYs, WY Equalizing Systems, Single Compact WYs, Dual Compact WYs, Triple Compact WYs, WY Ram Configurations, WY Work Protection Frames, WY Shipping Frames, Ball Valves, Quick Union Crossovers, Threaded Adapters, Quick Union Lifting Caps, Quick Union Lift Test Caps, Quick Union Blanking Plugs, Quick Union Test Caps, Quick Union Test Stamps, Rig-Up Pulleys, Lubricator Lifting Clamps, Open Hole Tool Catcher, Mechanical Plant Overview, PHC Units for BCIPs, PHC Units for SSV and SSSV, PHC Units for PCE SSV and SSSV, Skid Mounted Hydraulic Control Units, Skid Mounted Grease Inj-Hydraulic Control Units, Portable Pressure Test Units, Portable Chemical Injection Units, Portable Hose Extension Modules, Skid Based Hose Extension Modules, Hydraulic Hand Pumps, Standard Hoses, Standard Quick Connections, Containerized Workshops, Shipping Skids and Baskets, Slickline Hunting Redline Products Q15 Quick Lock System, Tool Deployment Strips, Rope Socket Drive Spring, Rope Socket Pear Drops, Swallowline Rope Socket.

Well Construction

Well Construction



Depth in footage	Description	Manufacturer
0-7360	LWD/MWD tool provided by OSC	Hunting AMG for OSC
7360-10385	Burst Disc / Sub	Hunting
7360-10385	Adapter / Centralizers	Hunting for OSC
7360-10385	Casing 22" Grade x60	Hunting
7360-10385	LWD/MWD tool provided by OSC	Hunting AMG for OSC
7360-10385	Float Shoe	Hunting for OSC
10385-23208	Casing 18 5/8" Grade Q125	Hunting
10385-23208	Casing 16" Grade Q125	Hunting
10385-23208	Premium Connections	Hunting
10385-23208	SealLube	Hunting
10385-23208	Liner Hangers	Hunting for OSC
10385-23208	Centralizers	Hunting
10385-23208	Float Collars	Hunting for OSC
10385-23208	Cement Plug	Hunting for OSC
10385-23208	LWD/MWD tool provided by OSC	Hunting AMG for OSC
23208-25560	Hanger 18 5/8" to 14"	Hunting for OSC
23208-25560	Tie back	Hunting for OSC
23208-25560	LWD/MWD tool provided by OSC	Hunting AMG for OSC
23208-25560	Reamer	Hunting
23208-25560	Casing 14" Grade Q125	Hunting
23208-25560	Premium Connections	Hunting
23208-25560	Cement Plug	Hunting for OSC
23208-25560	Float Collar	Hunting for OSC
23208-25560	Guide Shoe	Hunting for OSC
23208-25560	Centralizers	Hunting for OSC
23208-25560	Subs	Hunting for OSC
25560-28840	Hanger 14" to 10 3/4"	Hunting for OSC
25560-28840	Casing 10 3/4" C110	Hunting
25560-28840	Casing 10 3/4" P110	Hunting
25560-28840	Premium Connections	Hunting
25560-28840	Centralizers	Hunting
25560-28840	Mud Motor	Hunting
25560-28840	LWD/MWD tool provided by OSC	Hunting AMG for OSC
25560-28840	Casing 9 7/8" Grade Q125	Hunting
25560-28840	Premium Connections	Hunting
25560-28840	Float Collar	Hunting for OSC
25560-28840	Guide Shoe	Hunting for OSC
25560-28840	Centralizers	Hunting
25560-28840	Cement Plug	Hunting

Well Construction

- Approved construction of US Premium Connections Threading Facility, Testing Facility.
- Development of a Comprehensive Training Facility investing in our employees.
- Continued demand for high precision manufacturing.
- Advanced Manufacturing Group making inroads with OEM's.
- Strong demand for drilling tools and associated components.
- Final testing of Semi Flush WedgeLock Connection.





Well Completion

Well Completion



Depth in footage	Description	Manufacturer
7113-29000	4 1/2" Chrome Tubing	Hunting
	Premium Connections	Hunting
	6" to 4 1/2" Crossover	Hunting
	2 3/8" Chrome Tubing	Hunting
	Premium Connections	Hunting
9500	Chemical injection Mandrel	Hunting for OSC
9500	Landing Nipple	Hunting for OSC
26800	Landing Nipple	Hunting for OSC
26850	Top Polished Bore Receptacle Assy	Hunting for OSC
	Tubing seals and Mule Shoe Guide inside PBR	Hunting for OSC
	2 Sets of Pup Joints	Hunting for OSC
	Gas Lift Mandrel Assy	Hunting for OSC
	2 3/8" Flow couplings	Hunting for OSC
	2 3/8" Mule Shoes	Hunting for OSC
	2 3/8" Double pin Subs	Hunting for OSC
27077	Production Packer	Hunting for OSC
27155	Landing Nipple	Hunting for OSC
27250	Sliding Sleeves	Hunting for OSC
27268	Polished Bore Receptacle Assy	Hunting for OSC
	Frac Screen	Hunting for OSC
27366	Upper Packer	Hunting for OSC
	5 stage Perforating gun Assy with Energetics	Hunting for OSC
	Control Fire System	Hunting for OSC
	Logging Systems	Hunting for OSC
27368	Zone 5 Isolation Packer	Hunting for OSC
27630	Zone 4 Isolation Packer	Hunting for OSC
27889	Zone 3 Isolation Packer	Hunting for OSC
28148	Zone 2 Isolation Packer	Hunting for OSC
28407	Zone 1 Isolation Packer	Hunting for OSC
27980	Landing Nipple	Hunting for OSC
28288	Landing Nipple	Hunting for OSC
28820	Bridge Nipple	Hunting for OSC



Description
Blowout Stop Plug
2" Green Wire
Lube String 200' length
Conventional Lubricator
Hydraulic Compact Single
Welding Sleeve
In-SDU Pressure Test Set
E2 Lead Hydraulic Stiffing
Quick Union L&R Cap
Quick Union Test Plug
Hydraulic Mand Pump Assy
Hydraulic Control Unit for 3"
Blowout Stop Assembly
Set of 2" Specrite Jet Cutters
Blowout / Wellbore Test Box
Heavy Duty Motor Head Assy
2" Vertical Motor System Assy
Motorize Free Point Tool
Integrated Gamma Ray Detector
Wellbore Crosser to Blowout

Well Completion

- Approval for Phase II of the Houma, Louisiana base in support of continued expansion in the Gulf of Mexico.
- Pass critical testing of the “Control Fire” Perforating System providing a “State of the Art” Multi-Stage Perforating Solution.
- Hunting’s global footprint providing a foundation for product line expansion.
- High demand for OEM and print part manufacturing.
- China Perforating Gun manufacturing facility in operation.



Well Intervention



Description	Manufacturer
Slickline Hay Pulley	Hunting for OSC
3" Grab Wire	Hunting for OSC
Lube Clamp XW Slings and Shackles	Hunting for OSC
Conventional Lubricator Riser	Hunting
Hydraulic Compact Single Wireline Valve	Hunting
In-SITU Pressure Test Sub	Hunting
EZ-Load Hydraulic Stuffing Box	Hunting
Quick Union Lift Cap	Hunting for OSC
Quick Union Test Stump	Hunting for OSC
Hydraulic Hand Pump Assembly	Hunting for OSC
Hydraulic Control Unit for Dual Wireline Valve Assembly	Hunting
Set of 3" Spectra Jet Cutters	Hunting
Slickline/ Wireline Tool Box	Hunting
Heavy Duty Motor Head Assembly	Hunting for OSC
3" VariBall Roller System Assembly	Hunting
Motorize Free Point Tool	Hunting
Integrated Gamma Ray Detectors	Hunting
Wireline Crossover to Slickline tool	Hunting
Pressure Control Unit Skid Mounted	Hunting
Pulling Tool	Hunting for OSC
Hydraulic Jars	Hunting for OSC
Knuckle Joints	Hunting for OSC
WellDrill Tri Reamer	Hunting
Bi Directional Shifting Tool	Hunting for OSC
Flow Release Overshot	Hunting



Well Intervention

- Shale drilling in the US is increasing Well Intervention opportunities.
- Continued expansion of “Thru Tubing” Technologies globally, opening service centres in Canada and US.
- As drilling technologies advance, Well Intervention technology remains in step with OEM product requirements.
- Subsea technology advancing with new hydraulic couplings and next generation valve design.
- Final testing phase of new Coiled Tubing BOP that will assist in shale drilling intervention opportunities.



Land Based Revenue Opportunities



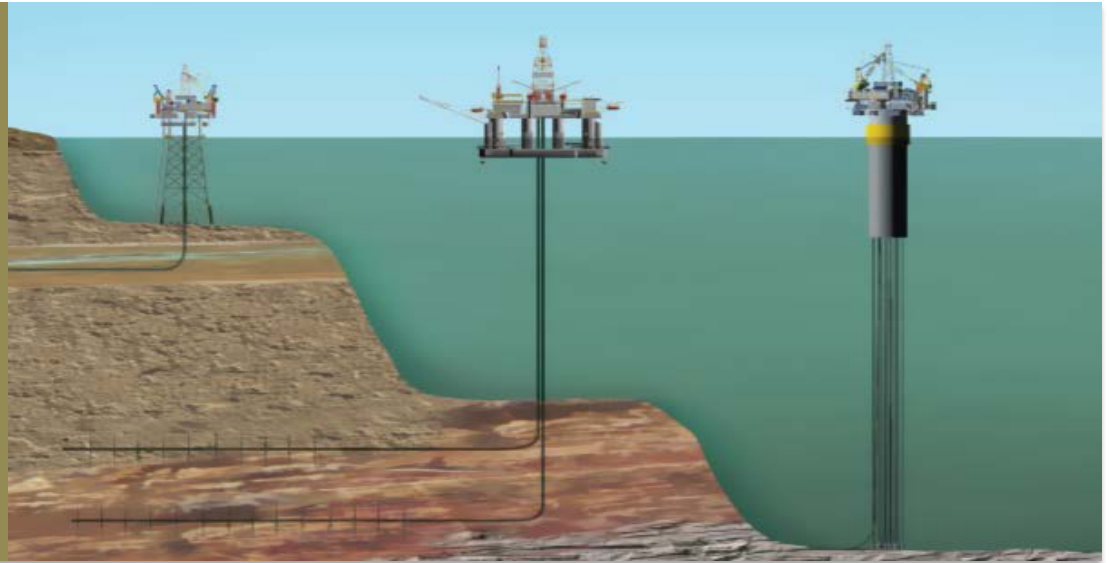
- Drilling Costs Per Well: US\$6m to \$9m
 - Equipment Supplied: 21%
 - Realised Revenue: US\$1.3m to \$1.9m
-
- Trend of multi-pad wells is creating more revenue opportunity per rig.
 - This configuration requires less physical space and offers new cost saving efficiencies.
 - Multi-pad wells are typically only 25 feet apart, a specialised rig can “walk” well to well reducing setup time.
 - Zipper fracking increases efficiency allowing up to four wells to be perforated and fracked in the same time it used to take to frack one.
 - Previously, rig count was a common barometer of industry activity, now there are additional factors.
 - For instance, in 2013 horizontal rig count is expected to decrease by 3%, but wells are increasing 8% in the same period.

Offshore Revenue Opportunities

- Drilling Costs Per Well: US\$112m
- Equipment Supplied: 27%
- Realised Revenue: US\$30m
- Hunting global footprint to support offshore
- Gulf of Mexico
 - Subsea – Stafford, Texas
 - Houma, Louisiana - Deepwater Complex
 - Marrero, Louisiana - Large Casing Operations
- Gulf Coast Threading Operations, Baytown, Texas (New for 2014)
- North Sea
 - Aberdeen, Scotland
- Asia Pacific
 - Wuxi, China
 - Singapore
- The Middle East
 - Dubai

New technology is allowing companies to economically search for hydrocarbons deeper and deeper

Seeing wells with a total drill depth over **40,000** feet



Lean Manufacturing Update

- Throughout the first half of 2013, Hunting has continued the success of the lean manufacturing initiative.
 - Achieving unprecedented levels of perforating gun production at Titan Pampa.
 - **47% decrease** in job cycle time, with an **88% increase** in gun production per employee.
 - Simple process improvement in post machining operations **improved cycle time by 43%**.
 - In Q3 2013, Hunting will receive and integrate new machining and material handling equipment in select facilities that will improve cycle time and set new bench marks for production.
 - Manufacturing Flexibility.
 - We optimise our capital purchases to achieve the most throughput at the lowest capital cost, while maintaining operational flexibility.



Flexible Manufacturing

- 8% of our manufacturing equipment is product specific.
- The other **92%** can be re-tooled or reconfigured to consistently manufacture the full spectrum of products.



Machine count by region



Fundamental Business Drivers



HUNTING

Global Rig Count and Spend Trends – 2013 Update

Global View

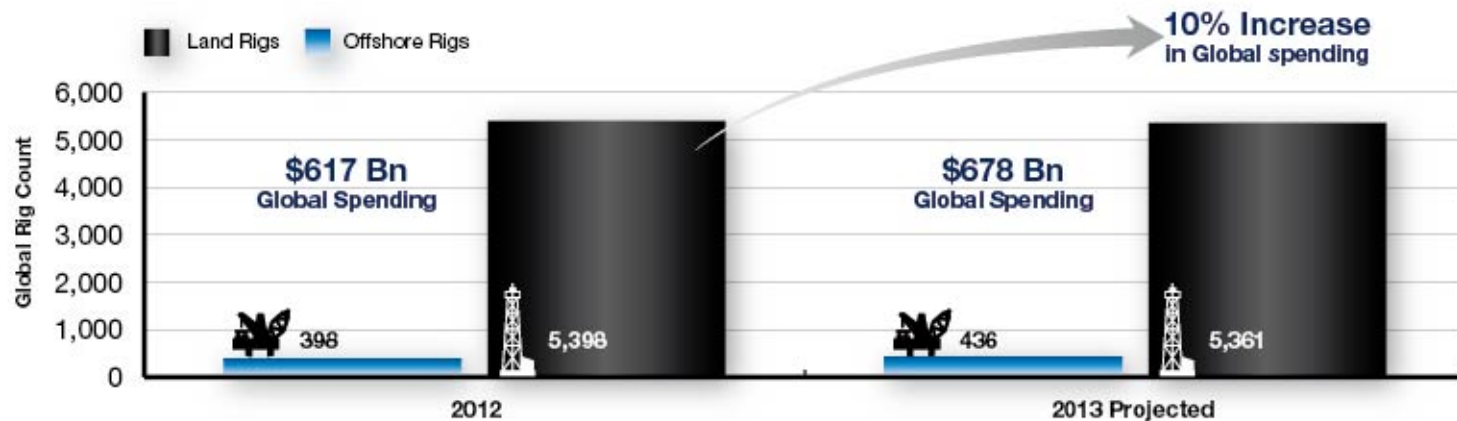
- For 2013, E&P spending is projected to reach a new record of \$678 billion globally.
- 10% increase above 2012's previous record of \$617 billion, fourth consecutive year of double digit growth.

North America

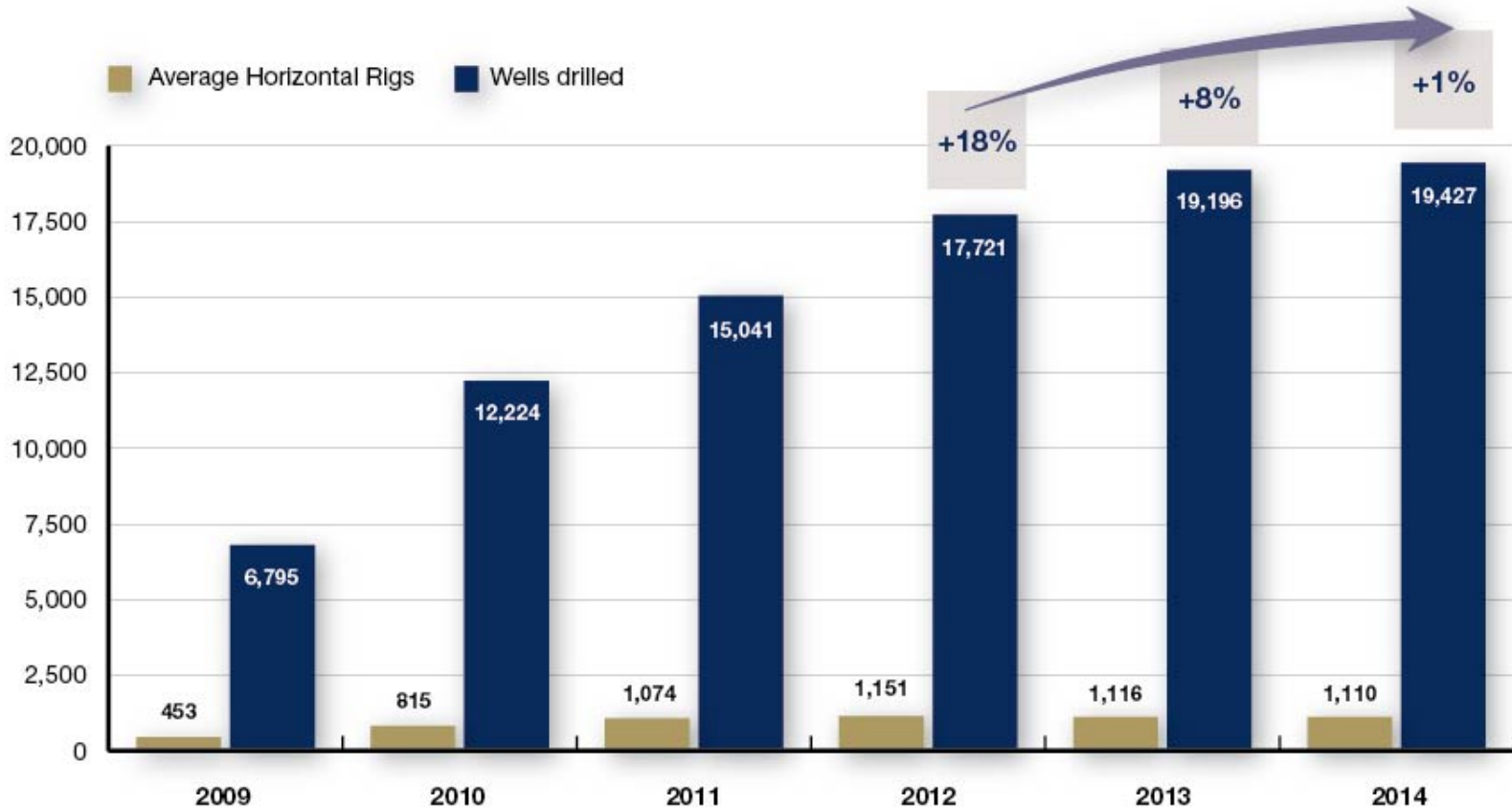
- Expect rig count to decline 6% overall, however Gulf of Mexico rig count is projected to increase 9%.
- Even on a lower rig count, spending is projected to increase 2%, driven by greater service intensity and improved drilling efficiency (drills faster with less rigs).

International

- The modest spending increases in North America are over shadowed by the projected 13% increase in overall international E&P spending.
- The largest change is in the Asia Pacific market with a 19% increase in projected spending.



US Pad Drilling and Effect on Rig Count and Wells Drilled



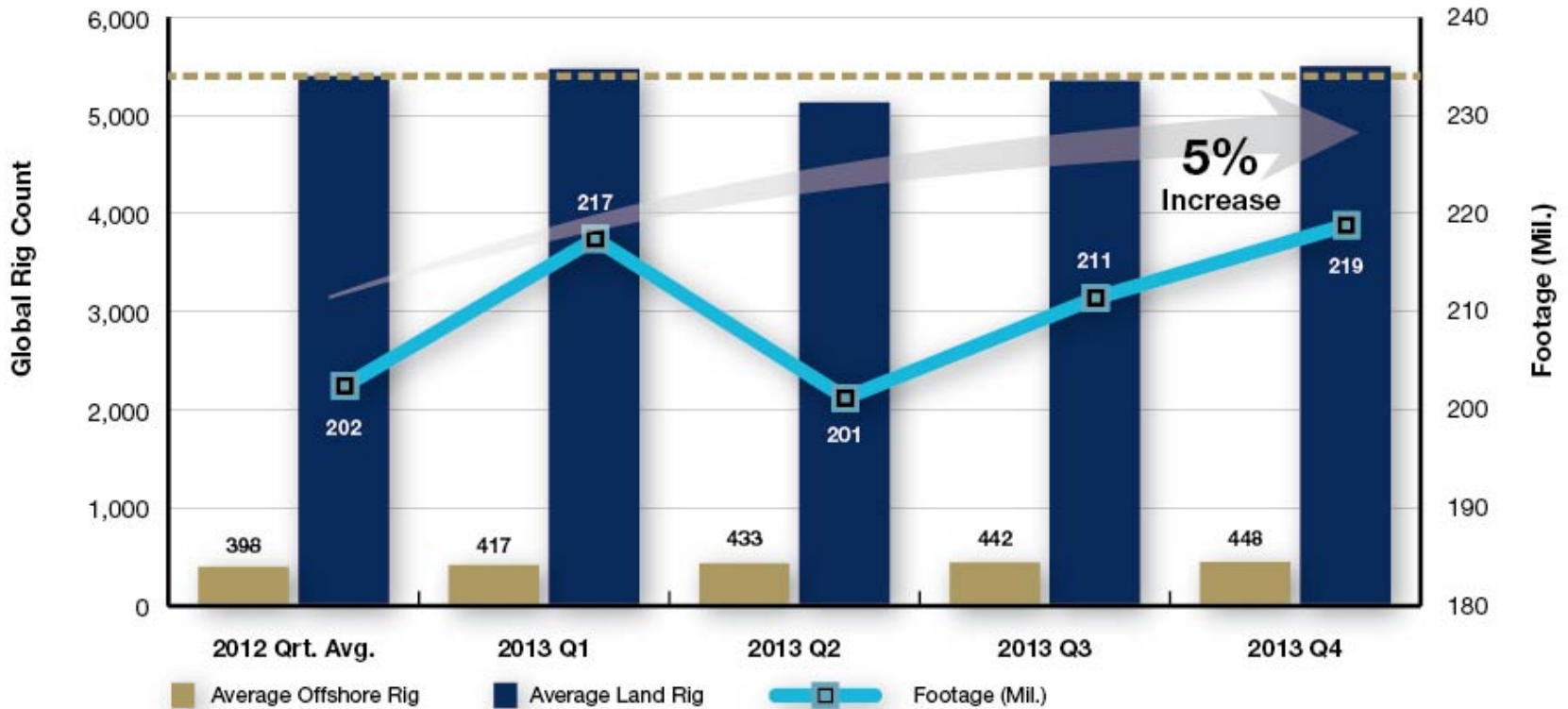
Rig Count Decreasing
While Wells Drilled Steadily Increases
Greater Equipment Volume per Well Drilled

Global Rig Count and Spend Trends – A Quarterly Industry View

- As drilling has shifted to predominately horizontal / directional drilling and multi-pad wells are gaining favour, rig count alone represents only one aspect of the economic picture. Other factors, such as footage drilled, also drive economics.
- The following graph is a quarterly representation of rig count and footage drilled for 2013 compared to the overall 2012 quarterly average.
 - Overall, global rig count is flat when comparing 2012 to 2013, however offshore rig count is expected to progressively increase each quarter, reflecting an overall increase of 10%.
 - Footage drilled (reflected in millions of feet) is projected to increase 5% overall. The first half of 2013 experienced a decline in demand from Q1 to Q2, however the second half of 2013 projects a steady increase in demand.
 - This combination of increased offshore activity and more footage drilled fuels spending above 2012's record levels.

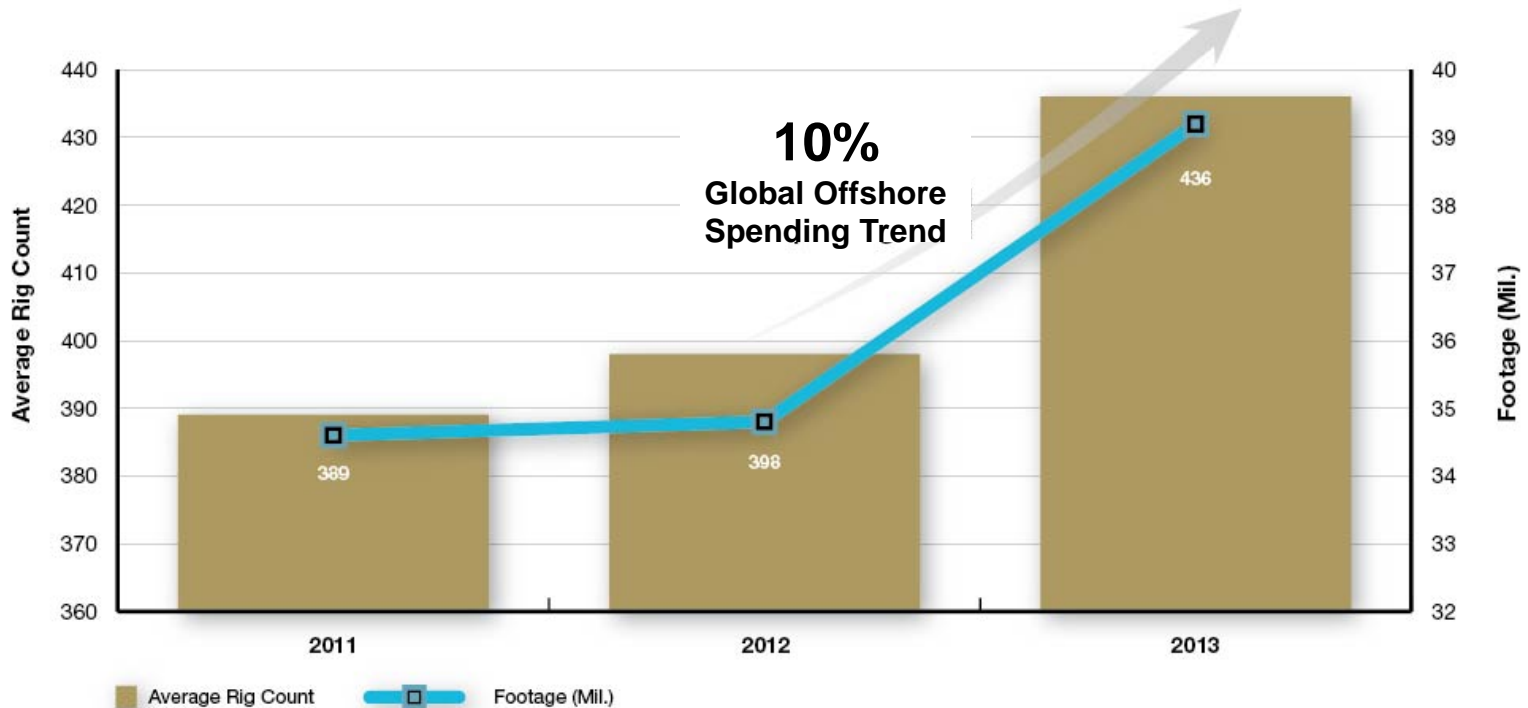
Global Rig Count and Spend Trends – A Quarterly Industry View

- Quarterly representation of rig count and footage drilled for 2013 compared to the overall 2012 quarterly average.



Increase in the Offshore Market

- Global offshore rig count and projected footage continues to increase above 2012 levels.
 - Global rig count up 10% above 2012's count.
 - Projected footage up 13% over 2012's footage.
 - Spending is expected to increase 10% globally.

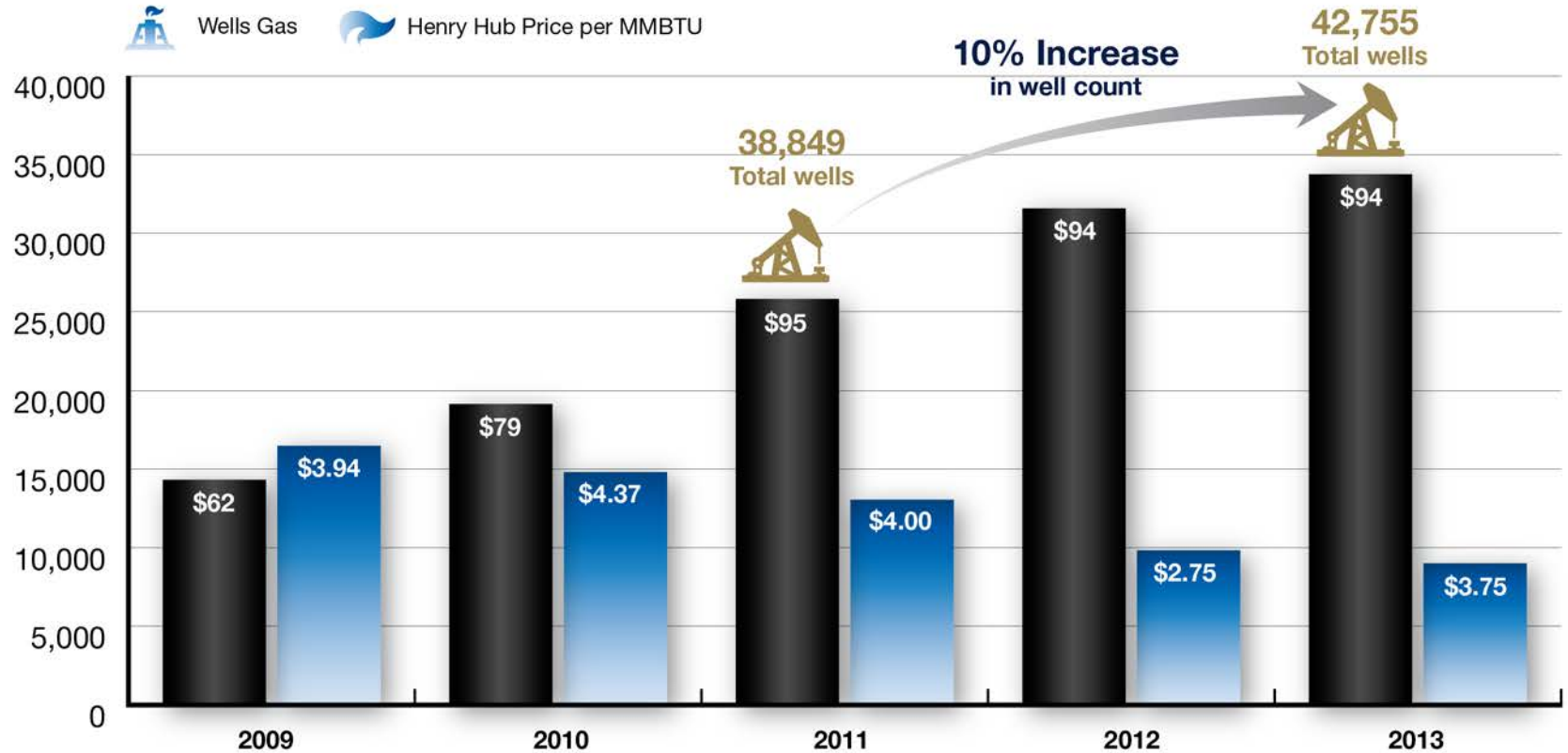


Increase in the Offshore Market (continued)

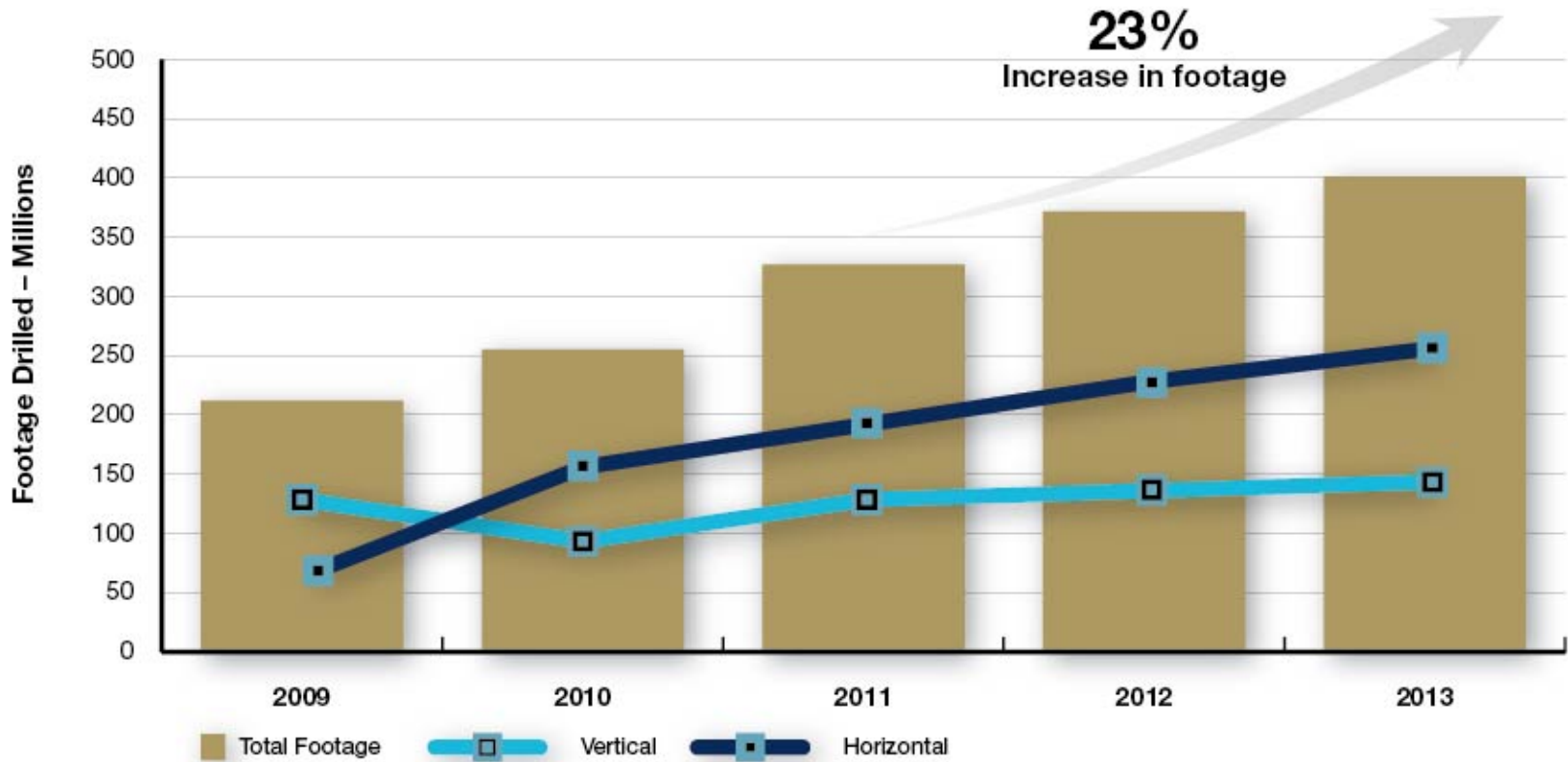
- Offshore spending is a major component of the overall E&P spending profile, requiring more technology, extreme focus on safety and quality of products.
 - Globally, deepwater has become the dominant source for new oil and gas discoveries.
 - Accounts for over 50% of all the new conventional reserves (170 billion barrels of oil equivalent).
 - Gulf of Mexico shelf and deepwater makes up between 12% to 15% of US spend.
 - Ultra deep wells in the Gulf of Mexico are now reaching almost 2 miles (10,011ft; 3.1 km) of water depth.

- At Hunting, we continue to see the offshore market as a premier opportunity to provide OCTG and subsea components to our world wide customers.

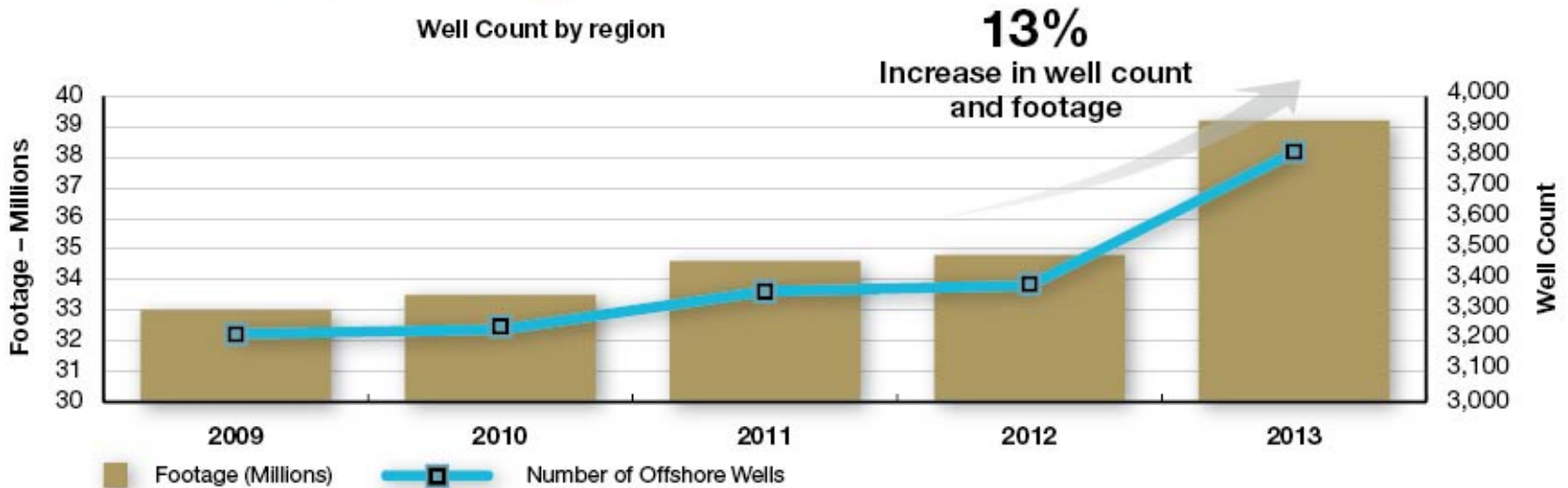
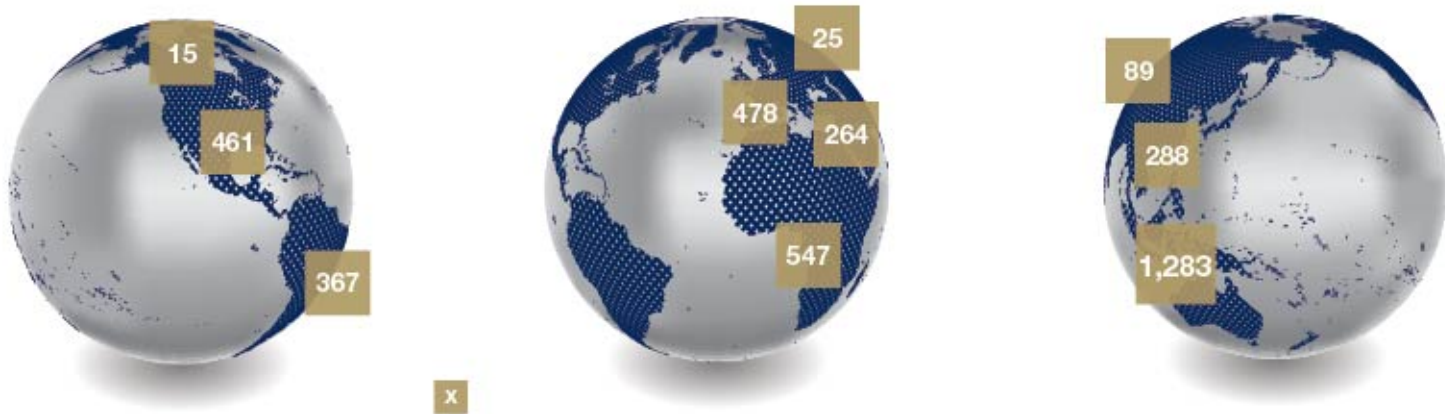
Wells Drilled Oil vs Gas (US)



Land Footage Drilled Horizontal vs Vertical US (million)



Global Offshore Footage Drilled and Well Count



Africa

- Central Manufacturing
 - **Cape Town SA, additional in Mozambique and Tanzania**
- Provide new product and repair services for East and West Africa
- Supporting NOC's, IOC's, OSC's presence
- Warehouse leased for product storage

